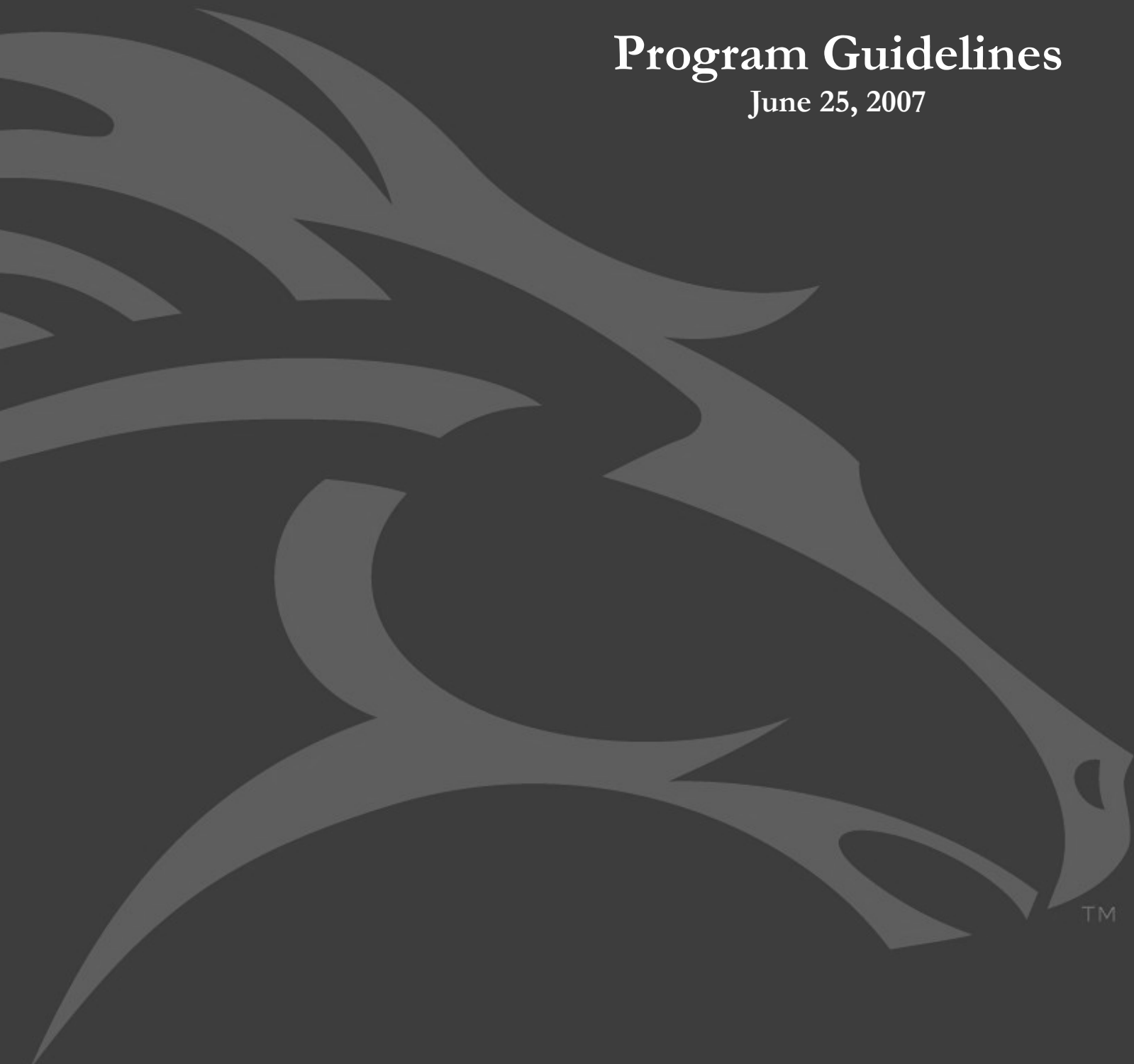


Governor's Office for Local Development
Office of State Grants

Program Guidelines

June 25, 2007



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Governor's Office for Local Development

OFFICE OF STATE GRANTS
Program Guidelines
Governor's Office for Local Development

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Office of State Grants Governor's Office for Local Development

The Office of State Grants includes the following: Coal Development Branch, Special Projects Branch, Renaissance on Main and Field Services. The office administers the following programs:

[Coal Development Branch](#) - Coal Development Branch administers the LGEDF coal severance program, LGEAF coal and non-coal mineral severance program and Community Economic Growth Grant (CEGG) grants.

[Special Projects Branch](#) - Special Projects Branch administers General House Bill (HB) line-items, Area Development Fund, Kentucky Body Armor Program and Kentucky Cemetery Preservation Fund.

[Renaissance on Main](#) - Renaissance on Main Program administers funds for cities to revitalize and maintain vibrant, economically sound development in Kentucky's downtown areas.

[Field Services](#) - Regional offices located in Elizabethtown, Somerset, Louisville, and Inez provide technical and monitoring assistance to communities across the state regarding funding programs housed within the Office of State Grants.

For a complete listing of staff, regional office contact information, and program forms, please visit the Office of State Grants' website found below.

Contact information:

Governor's Office for Local Development
Office of State Grants
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
502-573-2382
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

DISCLAIMER

The Governor's Office for Local Development's Office of State Grants guidelines are accurate as of the date of publication noted on the front page of this manual. Please be aware that these policies and procedures are subject to change due to legislation, executive order, legal consideration and are subject to interpretation by and may be amended by GOLD at GOLD's discretion.

The Office of State Grants administers funding for grant programs authorized for additional programs not enumerated in this manual. In the event that such programs are authorized, the GOLD staff will administer those funds under the program administration parameters outlined in this manual, unless otherwise denoted in the funding availability notice.

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND GRANTS Program Guidelines

Guidelines Relating to Local Government Economic Development Program (LGEDP)

Disclaimer: The Local Government Economic Development Fund (LGEDF) program guidelines have been assembled from the statutory requirements found in Kentucky Revised Statute (KRS) 42.4582-42.460, the programmatic policies and procedures established by the Governor's Office for Local Development (GOLD), previous guidelines developed by the Kentucky Community Development Office and Cabinet for Economic Development, as well as various Executive Orders. Under authority granted by statute, Executive Order, 2006 General Assembly SB 69 and HB 380, these policies and procedures are subject to interpretation by and may be amended by GOLD at GOLD's discretion. Any project-specific requirements will not be contrary to the statutory requirements of, and the Executive Orders pertaining to, the Local Government Economic Development Program (LGEDP).

I. OVERVIEW OF THE LOCAL GOVERNMENT ECONOMIC DEVELOPMENT PROGRAM

A. Purpose of the Program

KRS 42.4588 establishes the Local Government Economic Development Program (LGEDP) to provide grants of coal severance and processing tax revenues to coal-producing counties. Grants are made from this program, commonly referred to as the Local Government Economic Development Fund (LGEDF), to assist eligible counties in diversifying their local economies beyond coal production.

Created in 1992, the program provides LGEDF grants to help make communities attractive to new manufacturing and service industries, as well as to help eligible existing businesses expand. Traditionally, emphasis has been placed on identifying and implementing economic development and/or industrial development projects that will produce the most and best jobs for the least expenditure of funds.

B. Allocation of Coal Severance Tax Receipts Paid into the LGEDF

The LGEDF serves as the repository for a portion of coal severance and processing tax receipts transferred from the general fund. These taxes are collected and added to the LGEDF on a quarterly basis. The state budget enacted in the 2006 Regular Legislative Session for the 2006-2008 biennium provides that 35% of total coal severance and processing tax receipts will be allocated to the LGEDF. An additional 15% is transferred to the Local Government Economic Assistance Fund (LGEAF), a separate and distinct tax-sharing program for cities and counties administered by GOLD.

II. ALLOCATION OF FUNDS TO COAL-PRODUCING COUNTIES

A. County Accounts

Coal severance tax receipts, which are transferred into the LGEDF, are allocated quarterly among participating counties according to a formula specified by KRS 42.4592. Currently, 39 counties participate in the LGEDF program. The allocation formula provides that one-third of funds be reserved for projects benefiting two or more counties. These funds are known as "multi-county" funds and reside in a "multi-county" account. Another one-third of funds are allocated among 39 participating counties on the basis of severance taxes paid in by a county relative to the total severance taxes paid in by all participating counties. The final one-third of funds is allocated among participating counties on the basis of three criteria, weighted equally, as described below:

- the respective county's employment in mining as a percentage of its total employment;
- the respective county's earnings from mining as a percentage of its total earnings; and
- the respective county's surplus labor rate (a concept similar to unemployment) as published by the Kentucky Department for Employment Services.

LGED funds allocated to counties reside in individual state maintained accounts known as “single-county” accounts, one for each participating county. Funds may accumulate without penalty, and without lapsing, until such time as projects are approved for expenditure by the commissioner of GOLD.

III. GUIDELINES RELATING TO LGEDF GRANT AWARDS

A. Eligible Grantees

Funds are allocated through the LGEDP to any coal-producing county accounts or multi-county accounts having generated coal severance and processing taxes in the current year or each of the four previous years. These counties will receive periodic allocations of program funds to accounts in their name.

KRS 42.4588(5) provides for the award of LGEDF grants for projects located in non-coal-producing counties under certain circumstances. Applications must be submitted by one or more counties with accounts in the LGEDF program.

B. Grant Awards

1. Categories of Grants

- a) Single County Development (LGEDF) Projects: Projects located in and of primary benefit to individual counties and using only funds from a county's individual account.
- b) Joint County Development (LGEDF) Projects: Projects of benefit for two or more coal-producing counties which use funds from the individual accounts of the participating counties.
- c) Regional Industrial Park or Regional Business Park Projects (NOTE: This does not relate to the HB 380 “Regional Industrial Parks Line-Item.”): Projects of economic benefit to three or more counties, at least two of which are coal-producing counties. Regional industrial park projects are, in general, funded from the multi-county account. Regional Industrial Park/Business Park applications for multi-county funds are submitted to the Cabinet for Economic Development and are subject to HB 380, Part 1, Section 13, Local Government Economic Development Fund, Item (26).

In addition, under the expanded HB 380 language “Parameters for County Flexibility” and based upon the original LGEDF single county grant process, application can be made on behalf of a regional industrial park or its authority by one of its participating county(s) from their respective county account balance.

All counties participating in a regional industrial authority and LGEDF-assisted regional industrial/business park must enter into an inter-local agreement approved by each fiscal court. After an inter-local agreement has been executed to form a regional authority, counties will name authority members, who in turn will incorporate the entity by filing articles of incorporation and authority bylaws. Economic benefits expected to be realized from a project (i.e. tax revenues) will be outlined within the inter-local agreement.

2. Eligible Grant Activities

Pursuant to HB 380, the Fiscal Year (FY) 2007-2008 biennial budget of the Commonwealth, this original definition has been expanded; grants continue to be made from this program to support nonrecurring investments in:

- public health and safety;
- economic development, including industrial development;
- public infrastructure;
- information technology development and access; and
- public water and wastewater development.

3. Ineligible Grant Activities

LGEDF grants may not be used:

- for any recurring investments/expenses or working capital;
- for industrial development projects that redistribute jobs within Kentucky;
- for projects that present unfair competition for established Kentucky firms;
- to underwrite general governmental activities;
- to finance LGEDF project administration or economic development marketing efforts, except as authorized under KRS 42.4588 for the Regional Industrial Park Program; nor
- for any activity or use that does not comply with the “public use” of state funds.

4. Funding Availability

Grants may be awarded to a coal-producing county or two or more coal-producing counties based upon the applicant having a project eligible for funding and having funds available to finance the project. Funding for a project will not be released until unobligated funds in the appropriate LGEDF account are sufficient to pay for the project. These funding parameters are set forth in KRS 42.4582.

5. Award of LGEDF Grant Projects

Factors to be considered in evaluating grant applications include but are not limited to:

- addressing a need that is significant to the community;
- substantiating that coal severance funding is necessary to meet the identified need(s) and that the impact of the funds is maximized; and
- substantiating that the accomplishments will be significant relative to need, amount of requested funds and local effort.

6. Contractual Agreements

No funds shall be made available under the LGEDP until such time as all participating parties, when applicable, have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. In the event of a default, funds already disbursed may be required to be returned to GOLD and to the respective LGEDF account. Each project will be governed by its own agreement outlining its own specific and unique terms.

7. Non-Assignment of Grant Funds

Grant proceeds may only be used for eligible activities. Grantees (or their designated administering agencies) cannot assign, mortgage nor convey any portion of grant proceeds to any person or entity without the express written consent of the commissioner of GOLD.

8. Recapture of Grant Funds

When grant proceeds or income are earned from a single-county LGEDF project, the county or authority is required to maintain and account for all these funds in a “project proceeds account,” a separate, interest-bearing account established by the county or authority. Annually, with each 4th quarterly report (June 30), LGEDF grantees having recaptured funds must complete the Project Proceeds Report Form and return the report and total receipts which remain in their project proceeds account. No expenditure may be made from these accounts without the written approval of the commissioner of GOLD.

At any time if the balance of a county's project proceeds account exceeds \$100,000, the entire balance, including interest, must be returned to GOLD within 10 days of reaching that amount. In the event there is a sale of property and/or facility, the recaptured funds from that sale must be returned to GOLD within 30 days after closing. In cases where property and/or facilities are leased, the agreement between the “grantee” and their respective “lessee” shall reflect language assuring the lease payments are paid directly to GOLD. GOLD will redeposit all recaptured funds into the respective single county account and those funds will become available for eligible activities within the LGEDF program.

The policy above will apply to all single county projects, including those covered by an existing MOA. No new project application or request will be considered until a county has agreed to abide by these terms.

9. **Definition of Industrial Development Projects set forth by KRS 42.4588 and former LGEDF Guidelines**
Grants from the LGEDF may be used for industrial development purposes. In general, the term “industrial development projects” refers to the development of a specific site for manufacturing or service activities that meet the criteria set forth in this section. An industrial development project includes the acquisition of any real estate and the construction, acquisition and installation of improvements and facilities necessary and useful for the improvement of the real estate for conveyance or lease to industrial firms and approved non-industrial firms. In some cases LGED funding may be used as a result of an industrial development project, for workforce training activities.

10. **Wage and Benefit Requirements**

Companies benefiting from LGEDF grants must comply with minimum wage and benefit levels required for participation in the Cabinet for Economic Development administered tax credit programs. These minimum levels are specific to each county and are subject to annual revision by the cabinet. Benefiting companies will be required to submit annual compliance reports in the form of an affidavit certifying that the required levels have been maintained. Contact the Economic Development Cabinet for minimum levels for a particular county.

IV. **APPLYING FOR GRANTS- All LGEDF applications will be processed as follows:**

- A. **Step 1- Project Scope and Budget Form** - The county must submit the Project Scope and Budget Form detailing the project's scope of work and a resolution passed by the fiscal court and signed by the Judge/Executive.

*Water and Wastewater LGEDF Projects – Please include the WX/SX number on the Project Scope and Budget form. The applicant can apply for a SX or WX number through their local Area Development District via the WRIS system and Area Water Management Council.

- B. **Step 2-Application Review-** Upon review and award approval the following will occur:
- C. **Step 3-Memorandum of Agreement (MOA)** - When GOLD announces the award of an LGEDF grant, the grant applicant/recipient will receive a MOA. A MOA will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will be forwarded for signatures to the grant recipient or development authority, GOLD representatives and beneficiary firms, if applicable.
- D. **Step 4-Execution of Agreement-**No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Pursuant to KRS 42.4588(7), GOLD commissioner will neither execute a memorandum of agreement awarding a grant nor submit same to the Finance and Administration Cabinet and the Government Contract Review Committee for final approval unless and until there exists sufficient funds in the appropriate county account to fully cover the entire cost of the applied-for project.
- E. **Step 5-Disbursement of Funds-**To receive funds, the county will complete a Request for Disbursement form accompanied by quotes, cost estimates, receipts and/or invoices and cancelled checks which are relevant to the request. Requests for Disbursements may be submitted as needed or as costs are encumbered. After the request form is received and approved by GOLD, a payment will be executed. The Project Manager/Administrator and GOLD must approve all disbursement requests.
- F. **Step 6-Quarterly Report Submission-**Upon execution of the MOA the recipient/grantee shall be required to provide quarterly progress reports. The recipient/grantee is required to submit a separate report for each individual project. The recipient should attach any pending financial documentation to this report, including

copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient/grantee in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October–December is due no later than January 30th

Third Quarter: January–March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

- G. **Step 7-Project Monitoring**-GOLD staff will conduct monitoring of activities based upon the scope of work, the MOAs, project accounting, cost estimates, line-item budgets, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to GOLD for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.
- H. **Step 8-Project Close-out**-The recipients/grantees shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received by GOLD, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

V. Additional Components

A. Audit Requirements

All grants from the LGEDF are subject to an independent annual audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to GOLD no later than 12 months after the end of each fiscal year in which LGEDP funds were received by a county.

B. Procurement

All procurement should follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

C. Electronic Funds Transfer

Electronic Funds Transfer (EFT) is an option for grantees who wish not to receive a check by mail. GOLD staff will assist interested parties regarding EFT arrangements.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
LGEDF Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

MAP

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND Program Guidelines

The Local Government Economic Assistance Fund (LGEAF) is a program of revenue sharing for Kentucky counties and cities. The LGEAF returns a portion of State collected coal and non-coal mineral severance taxes to eligible local governments in accordance with KRS 42.450 – KRS 42.495. There are two, somewhat distinct, aspects of the program: one for coal severance receipts and one for non-coal minerals receipts. The LGEAF program should not be confused with a similarly named, but entirely distinct, program known as the LGEDF.

No application is needed to access these funds. Funds are automatically distributed to eligible recipients on a quarterly basis.

I. LGEAF Coal Severance

Eligibility in the LGEAF coal severance program occurs if a county is a coal “producer” or if there is significant transportation of coal through the county (“impact county”). As of March 2007, 32 Kentucky counties participated in the LGEAF program as coal producers and an additional 35 counties participated as impact counties.

Fifteen percent (15%) of state coal severance tax receipts are provided to the LGEAF program and allocated among participating counties/cities according to a formula which considers criteria such as severance tax paid in, by county; ton-miles of coal transported; population and per-capita personal income. Ninety percent (90%) of the program monies are allocated by formula among the producing counties collectively. The remaining 10% are allocated by formula collectively to the “impact” counties. Ten percent (10%) of a county’s allocation is reserved for all of the cities of that county, collectively, and are distributed among the county’s cities according to population. A check is mailed directly to the participating county or city four times annually following recognition of quarterly coal severance tax receipts.

Funds may be used for a variety of governmental activities in the case of coal “producing” counties and cities. Counties and cities which participate as “impact” may spend their LGEAF receipts on transportation only. Please see below for a list of allowable uses.

In Fiscal Year 2006, a total of \$30,418,880 was distributed to 72 counties and 295 cities through the LGEAF coal severance program.

II. LGEAF Non-Coal Minerals Severance

The LGEAF non-coal minerals severance program returns 50% of state collected non-coal minerals severance taxes to local governments. Eligible counties are producers of non-coal minerals such as limestone, clay, oil, or natural gas. Fifty percent (50%) of severance taxes paid in from a county’s minerals producers are returned to that county by check, four times annually following recognition of quarterly non-coal minerals severance tax receipts. Ten percent (10%) of a county’s allocation is reserved for all of the cities of that county, collectively, and are distributed among the county’s cities according to population.

Funds from the LGEAF non-coal minerals severance program may be used for a variety of governmental activities. Please see below for a list of allowable uses.

In Fiscal Year 2006, \$29,446,946 was distributed to 101 counties and 351 cities through the LGEAF Non-Coal Minerals Severance program.

III. Eligible Activities

KRS 42.455(2)(3)(4) specifically prohibits the expenditure of LGEAF for the administration of government. As stated previously, coal "impact" counties must expend 100% of funds in the transportation category. Thirty percent (30%) of all funds given to coal "producer" counties must be expended on the county coal haul road system. Expenditure of the remaining 70% given to coal "producers" and 100% of non-coal mineral severance producing funds must be directly related to the remaining priority categories:

- public safety, including law enforcement, fire protection, ambulance service and other related services;
- environmental protection, including sewage disposal, sanitation, solid waste and other related programs;
- public transportation, including mass transit systems, streets and roads;
- health;
- recreation;
- libraries and educational facilities;
- services for the poor, aged, and handicapped;
- industrial and economic development;
- vocational education; and
- workforce training.

For addition information regarding the LGEAF program, please contact:

Governor's Office for Local Development
Office of State Grants
LGEAF Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

LINE-ITEM ALLOCATIONS Program Guidelines

I. Line-Item Projects Defined

Line-items are projects whose funding is authorized specifically through budget language. A specific award recipient and funding amount is provided in the budget for each project. All line-item awards will be made in compliance with the budget language. The following is an overview of the line-item categories GOLD will administer through the 2006-2008 biennium.

- A. **Reauthorized HB 267 Line-Items**-Line-items listed in HB 267 (2005) for individual coal producing counties reauthorized by HB 380 Part II Capital Projects Budget, Item 2 shall be administered by GOLD.
- B. **HB 380 Community Development Projects**-Line-items listed in Part II. Capital Budget-P. Community Development Projects shall be administered by GOLD. All Community Development Projects that are related to water and wastewater shall be administered by the Kentucky Infrastructure Authority (KIA).
- C. **HB 380 General Government Line-Items**-Line-items listed in HB 380 General Government II. Items 1-14 shall be administered by GOLD.
- D. **HB 380 Coal and Non-Coal Producing Infrastructure Line-Items for Non-Infrastructure Projects**-Line-items listed under HB 380 Coal Producing and Non-Coal Producing Infrastructure Projects, that are not related to water or wastewater, shall be administered by GOLD.

II. Award of Authorized Line-Item Projects-The above mentioned line-items will be processed as follows:

- A. **Step 1-Project Scope and Budget Form**-The recipient of the line-item must submit the following documentation to GOLD:
 - 1. detailed scope of work;
 - 2. a budget detailing the use of funds (use of funds must remain in accordance with the specific language set forth in the budget language); and
 - 3. resolution signed by the recipient.

*Water and Wastewater LGEDF Projects – Please include the WX/SX number on the Project Scope and Budget form. The applicant can apply for a SX or WX number through their local Area Development District via the WRIS system and Area Water Management Council.

- B. **Step 2-Memorandum of Agreement (MOA)**-When GOLD recognizes the authorization of a line-item award, the county will receive a non-binding letter of intent describing the general nature and requirements of the award. A Memorandum of Agreement (MOA) will outline the specific terms of the award to include procedures for obtaining the funds. Among these terms is a requirement that any covenants, mortgages and/or security instruments be recorded in the applicable county clerk's office. The MOA will be forwarded for signatures to the line-item recipient, GOLD representatives and beneficiary firms, if applicable.
- C. **Step 3-Execution of Agreement**-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Failure to comply with line-item agreements may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to GOLD and to either the general fund or the respective LGEDF account (depending on the type of line-item). Each project will be governed by its own agreement outlining its own specific and unique terms.

- D. Step 4-Disbursement of Funds-**To receive funds, the recipient will complete a Request for Disbursement form accompanied by quotes, cost estimates, receipts and/or invoices and cancelled checks which are relevant to the request. Requests for Disbursements may be submitted as needed or as costs are encumbered. After the request form is received and approved by GOLD, a payment will be executed. The Project Manager/Administrator and GOLD staff must approve all disbursement requests.
- E. Step 5-Quarterly Report Submissions-**Upon execution of the MOA the recipient of existing line-item projects extended, current or reauthorized, shall be required to provide quarterly progress reports. The recipient is required to submit a separate report for each individual project. The recipient should attach any pending financial documentation to this report, including copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:
- First Quarter: July-September is due no later than October 30th
 Second Quarter: October–December is due no later than January 30th
 Third Quarter: January–March is due no later than April 30th
 Fourth Quarter: April-June is due no later than July 30th
- F. Step 6-Project Monitoring-**GOLD staff will conduct monitoring of activities based upon the scope of work, the MOAs, project accounting, cost estimates, line-item budgets, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to GOLD for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.
- G. Step 7-Project Close-out-**The recipients/grantees of any line-item project shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received by GOLD, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

III. Additional Components

- A. Audit Requirements-**All line-item recipients are subject to an independent annual audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to GOLD no later than 12 months after the end of each fiscal year in which the line-item funds were received by a recipient.
- B. Procurement**
 All procurement should follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

C. Electronic Funds Transfer

Electronic Funds Transfer (EFT) is an option for grantees who wish not to receive a check by mail. GOLD staff will assist interested parties regarding EFT arrangements.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Line-Item Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

RENAISSANCE ON MAIN Program Guidelines

I. OVERVIEW OF THE RENAISSANCE ON MAIN PROGRAM

A. Background

Declining downtowns have been a concern in Kentucky and the United States for the last 50 years. In 1979, the Kentucky Heritage Council (KHC) initiated the Kentucky Main Street Program to target the preservation and adaptive reuse of historic buildings in Kentucky's downtowns. In the fall of 1996, a 26-member committee was appointed to study Kentucky's downtowns and submit recommendations on how to strengthen the state's assistance to cities with downtown revitalization. The result was Renaissance Kentucky which represented an alliance of both state and non-state agencies and organizations focusing resources, funding and the expertise on how to strengthen the state's assistance to cities with downtown revitalization.

In 2004, the Office of Renaissance Kentucky was realigned to the Governor's Office for Local Development (GOLD) as part of Governor Ernie Fletcher's streamlining of state government. GOLD administers numerous state and federal grant programs, therefore it was determined that the program would benefit and align better with the mission of GOLD.

In February 2005, Governor Fletcher unveiled Renaissance on Main with new style and programmatic changes to enhance the already successful Renaissance program. Although GOLD continues to administer the program, the Renaissance on Main Alliance plays a critical role in the implementation of this program. The Renaissance on Main Alliance is comprised of representatives from the following agencies: GOLD (Lead Agency), Kentucky Heritage Council/Main Street Program, Kentucky Housing Program, Kentucky Transportation Cabinet, Kentucky Department of Tourism, Kentucky League of Cities (KLC) and the Federal Home Loan Bank of Cincinnati.

The Renaissance on Main Alliance acts as an advisory committee to the Renaissance program, while bringing together federal, state and local expertise and resources to address a host of issues that adversely impact the redevelopment and revitalization of downtown communities with leveraging funding sources. The Renaissance program is not intended to replace existing state and federally funded programs, but is rather an enhancement.

Renaissance on Main has partnered with the Kentucky Main Street Program and the National Main Street Program since its inception in 1996. The Main Street 4-point approach - Organization, Design, Promotion and Economic Restructuring - was pioneered by the National Main Street Program, implemented by the Kentucky Main Street Program as administered by the Kentucky Heritage Council, and is still the recommended structure for downtown revitalization programs in Kentucky. Upon certification/designation as a Renaissance on Main city by the Kentucky Heritage Council, the city is also eligible for national certification. The principles and methods of the Main Street approach are to be implemented in the everyday management of local Renaissance on Main programs in Kentucky.

B. Purpose of the Program

The primary focus of the program is to spur economic development through job creation in downtown communities and to reward and recognize Kentucky cities that proactively take steps to revitalize and maintain safe, vibrant and economically sound downtown communities.

II. GRANT CYCLE

Renaissance on Main grants are competitive grants awarded annually.

Open enrollment for the application process begins July 1, 2007. Acceptance of full applications will close on March 31, 2008. No applications will be accepted with a postmark date after March 31, 2008. Renaissance on Main staff will review applications as received. Renaissance on Main Alliance members will be contacted when necessary for advice and support. Staff will prepare a list of projects and recommendations to the commissioner of GOLD. The commissioner of GOLD will then make recommendations for approval to the Office of the Governor who has final approval. Grant awards will be announced periodically via written award letters to the recipients and public presentations as determined by the Office of the Governor.

III. GRANT AWARDS

A. Eligible Grantees

Grants are available through the Renaissance on Main program to those cities established as "Certified" Renaissance on Main cities in the current year of eligibility, subject to funding availability. The Kentucky Heritage Council is responsible for determining a city's status as a "Certified" city. While cities designated as "Candidate" Renaissance on Main cities are not eligible for funding, those cities designated as such are encouraged to work toward obtaining "Certified" status. Currently, to be categorized as "Certified", cities must meet the basic requirements of obtaining three credit hours of approved training, as well as providing a salaried position to administer the local program. Applicants must be eighty percent (80%) complete with each existing Renaissance grant prior to applying for new funding. Additional certification criteria can be obtained by contacting the Kentucky Heritage Council (502-564-7005) or at <http://www.kyheritage.org>.

B. Eligible Projects

Grant funds shall be used for capital projects that contribute to community and downtown revitalization projects in eligible cities. Projects that are eligible for Renaissance on Main funding must fall into one of the following categories:

- Real Estate Acquisition (land and/or building)
- Facility Renovation
- Streetscape
- New Facility Construction
- Façade

Please note that an application may only pertain to one (1) project category (with the exception of real estate acquisition and facility renovation which can be combined; however, if combining a real estate acquisition with a facility renovation project, all renovations must be done to the real estate that is purchased). A city may only submit one (1) grant application per funding cycle. Projects may be subject to local and/or federal government standards, rules, regulations and guidelines (i.e. Secretary of Interior Standards, Housing Urban Development Standards, etc.).

Please note the following applies to façade grants only: The façade grant program is available for **public and/or privately owned buildings** within the Renaissance area and the façade project application may include multiple properties. It is recommended that the city allow at least two (2) weeks public notice to building owners when determining who may be interested in participating in the city's façade program/application. Each building owner who is chosen to participate in the application process must sign the **Acknowledgement of Renaissance on Main Procedures** (found in this manual) which should be included with the city's funding application. Building owners make application to the local Renaissance program for a 50% reimbursement on façade work to their building. Façade grants require a 50% match from each building owner. The match cannot be in the form of in-kind services. No match is required for any other grant project category. Eligible façade activities include but are not limited to: masonry repair, re-pointing, structural stabilization, roofing, window and door repair, signage, awnings, painting, cornice repair, storefront improvements, design costs and new construction in-fill. Interested parties should contact the city for additional information.

C. Non-Eligible Projects

Renaissance grants may not be used:

- for any recurring expenses such as salaries, operating, working capital, etc.;
- for project(s) that cannot clearly demonstrate an economic impact on downtown communities;
- to finance project administration;
- for acquisition of property with intent of demolition;
- for renovation of privately owned buildings, except through a façade grant;
- for any activity or use that does not comply with the “public purpose requirement” of state funds; nor
- phased projects unless the phase being requested can fully be completed and can “stand alone” as a functioning project.

D. Funding Availability

Renaissance on Main funding is made available by the Commonwealth of Kentucky’s General Assembly through the passage of Kentucky’s biennial budget. The maximum grant award for 2007 applicants is \$150,000. Applications not approved during a competitive round may re-submit in a following year. The Renaissance on Main program may choose to award partial funding of an application.

E. Award of Renaissance on Main Grant Projects

All Renaissance on Main grants are awarded through a reimbursement process and require submission of adequate support documentation in order to receive funds. Factors to be considered in evaluating grant applications include but are not limited to:

- a. The number of long-term/full-time jobs created or preserved, directly or indirectly as a result of the project;
- b. Payrolls and state local taxes generated from the employment created or preserved by the development project (measurable economic impact);
- c. The applicant must substantiate that the accomplishments will be significant relative to the “Top Five Community Priorities” required for Renaissance on Main certification;
- d. The city has an updated market analysis and implementation plan as well as a Planning and Zoning Ordinance;
- e. The city has adopted a Historic Preservation Ordinance;
- f. The city has an updated building inventory on file for the Renaissance on Main designated area; and/or
- g. Commitments of additional funding sources.

During the application phase, applicants should clearly address and provide documentation and justification to support any additional factors (noted above) on the Renaissance on Main worksheet.

F. Contractual Agreements

No funds shall be made available until such time as all participating parties have signed a Memorandum of Agreement (MOA). GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. In the event of a default, funds already disbursed may be required to be returned to GOLD. Each project will be governed by its own agreement outlining its own specific and unique terms. Grant recipients will have twelve (12) calendar months from the date of the MOA approval to expend all funds. Extension of the contractual period may be granted following written request, justification and approval by Renaissance on Main and the commissioner of GOLD. Once the MOA is executed, the scope of work may only be amended under extreme circumstances as determined by GOLD on a case-by-case basis. Any unused funds following expiration of the contract period will be retained by GOLD.

G. Non-Assignment of Grant Funds

Grant proceeds may only be used for eligible activities. Grantees (or their designated administering agencies) cannot assign, mortgage nor convey any portion of grant proceeds to any person or entity without the express written consent of Renaissance on Main and the commissioner of GOLD.

H. Recapture of Grant Funds

When grant proceeds or income are earned from the use, lease or sale of any property funded by GOLD/Renaissance on Main during and through the dates of the public purpose requirements as defined in the grant agreement, the city is required to maintain and account for all these particular funds separately. Each circumstance will be reviewed on a case-by-case basis; however, it is possible these funds will have to be returned to GOLD. Regardless, no expenditure may be made from these funds without the written approval of the commissioner of GOLD.

IV. APPLYING FOR GRANTS

A. Step 1 - Application Process (Project Scope and Budget Form) – In addition to the applicant submitting a **Project Scope and Budget Form** detailing the project's scope of work along with a budget reflecting the use of funds (show match, if applicable), the applicant must submit the following documentation to GOLD:

- resolution signed by the recipient authorizing the submission of the grant application;
- a completed Renaissance on Main worksheet (found in this manual);
- commitments of "other" project funds, if applicable;
- Acknowledgement of Renaissance on Main Procedures (for façade projects only).

Applicants must submit two (2) copies (one original and one copy) of the application and all supporting documentation to GOLD. Incomplete packages will be returned to the applicant.

B. Step 2 – Application Review – Upon review and award approval, the following will occur:

C. Step 3 - Memorandum of Agreement (MOA) - When GOLD and/or the Office of the Governor announces the award of a Renaissance on Main grant, the grant applicant/recipient will receive a MOA. The MOA will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will be forwarded for signatures to the grant recipient, GOLD representatives and sub-recipient, if applicable.

D. Step 4 - Execution of Agreement - No funds shall be made available for a particular project until such time as all participating parties have signed an agreement and such agreement has been submitted to the Finance and Administration Cabinet and the Government Contract Review Committee for final approval. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Failure to comply with the agreement may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to GOLD. Each project will be governed by its own agreement outlining its own specific and unique terms determined by Renaissance on Main procedures and the nature of the individual project. All grant recipients must comply with all state or federal laws governing specific types of projects, such as permits, environmental related requirements, state prevailing wage rates, etc.

E. Step 5 - Disbursement of Funds - To receive funds, the recipient/grantee will complete a Request for Disbursement form accompanied by adequate support documentation (copy of cancelled checks, proof of payment if paying with credit card or debit card, invoices/receipts, etc.) relevant to the request. Cash payments will not be eligible for reimbursement. Requests for Disbursements may be submitted as needed. After the request form is received and approved by GOLD, a payment will be executed. No disbursement of funds will be made for any expenses incurred prior to the MOA approval date. Any costs incurred by the grantee or sub-grantee prior to the MOA approval date are the sole responsibility of the respective parties.

F. Step 6 - Quarterly Report Submission - Upon execution of the MOA the recipient/grantee shall be required to provide quarterly progress reports. Failure to submit or fully complete the required reports will place the recipient/grantee in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October–December is due no later than January 30th

Third Quarter: January–March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

G. Step 7 - Project Monitoring - GOLD staff will conduct monitoring of activities based upon the scope of work, the MOA, project accounting, cost estimates, line-item budgets, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to Renaissance on Main staff for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.

H. Step 8 - Project Close-out - The recipients/grantees shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

V. Additional Components

A. Audit Requirement

Grant recipients are subject to an independent annual audit conducted in accordance with generally accepted auditing standards and pursuant to KRS Chapter 91A.

B. Procurement

All procurement should follow KRS 45A or KRS 424, as well as local procurement guidelines. It is suggested that grant recipients contact their city attorney for advice.

C. Electronic Funds Transfer

Electronic Funds Transfer (EFT) is an option for grantees who wish not to receive a check by mail. GOLD staff will assist interested parties regarding EFT arrangements.

D. Conflicts of Interest

No person, employee, agent, consultant officer, elected official or appointed official of the grant recipient who exercises or has exercised any function or responsibility with respect to activities assisted with funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may have a financial interest or benefit from project activity, or have an interest in any contract or subcontract with respect to the project, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Upon written request, GOLD may grant an exception to the provisions of this requirement on a case-by-case basis when determination is made that the exception will serve to further the purposes of the Renaissance on Main program and the effective and efficient administration of the project. However, such an exception could not violate any state, local or

federal statute, law, ordinance or regulation. The Mayor, the applicant's legislative body, and the Main Street Manager must execute the Renaissance on Main Conflict of Interest Disclosure Report.

E. Public Purpose Requirements – Bond and General Fund

Historically, the Renaissance on Main program has been funded through both bond and general fund dollars. The 2006-2008 Renaissance on Main funding is made available through general fund monies. The following descriptions outline the parameters for each type of fund source:

If funded with general fund dollars, project(s) must be utilized for a public purpose for a minimum of 5 years from the completion date of the project. As a condition of the initial execution of the grant agreement, the grant recipient is required to execute and record a restrictive covenant incorporating the 5-year public purpose requirement. The restrictive covenant must be recorded with the County Clerk's Office in the county of residence. In the event that the grant recipient is not the owner of the property, the grant recipient shall require the owner to execute and record a restrictive covenant incorporating the 5-year public purpose requirement as a condition of the initial execution of the grant agreement.

If funded with bond dollars, project(s) must be utilized for a public purpose for a minimum of 20 years from the completion date of the project. As a condition of the initial execution of the grant agreement, the grant recipient is required to execute and record a restrictive covenant incorporating the 20-year public purpose requirement. The restrictive covenant must be recorded with the County Clerk's Office in the county of residence. In the event that the grant recipient is not the owner of the property, the grant recipient shall require the owner to execute and record a restrictive covenant incorporating the 20-year public purpose requirement as a condition of the initial execution of the grant agreement.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Renaissance on Main
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-2939 (fax)
<http://www.gold.ky.gov/grants/stategrants>

KENTUCKY CEMETERY PRESERVATION Program Guidelines

(AS OF JANUARY 1, 2007 NO APPLICATIONS ARE BEING ACCEPTED.)

I. Governor's Office for Local Development (GOLD) is responsible for administrating the Kentucky Cemetery Preservation Program

KRS 67.682 defines the establishment of a cemetery fund to receive appropriations, gifts, grants, federal funds, revolving funds and any other funds from public and private sources. KRS 67.680 defines eligible recipients to include state agencies, local governments and non-profit organizations, to apply for Cemetery Funds to restore and maintain non-profit cemeteries that do not receive any perpetual care funds as defined in KRS 367.952.

II. Eligible Activities Defined

KRS 67.682 grant funds may be used to restore and maintain any non-profit cemetery that does not have a perpetual care fund. Cemetery must be at least 50 years old with historic significance. **Non-profit organizations must include at time of application the 501(c)3 letter from the U.S. Internal Revenue Service (IRS).** Eligible project types and activities are:

- Initial cleanup (explain how the cleanup will take place);
- Landscaping (include only permanent plantings and list any landscaping material that will be used or planted); Fencing repair or replacement (describe improvements and type of fencing materials that will be used);
- Interior and access roads repair or replacement (describe type of improvements and materials that will be used and enclose written permission of right-of-ways and easements from owner of property to carry out the work);
- Conservation Easements Acquisition (provide documentation of the qualifications of the person providing the services);
- Training (no more than 10% of the grant will be used for that purpose, the training must be provided by a professional);
- Signage (describe the purpose of the signs and their location and the material to be used);
- Tombstone repairs, re-setting and cleaning (explain the procedures to be followed and the supplies that will be used and a qualified person is to provide services, include the documentation of that professional);
- Maintenance of the cemetery (mowing and monthly cleanup will be allowed at \$25.00 a month for a maximum of 6 months);
- Equipment rental (such as GIS system to mark boundaries, bush hogs, mowers, tractors, chain saws, weed eaters, and any other equipment that would be used for cleanup, enclose two (2) estimates from local rental companies with the lower bid used for the work).

III. Non-Eligible Activities Defined

Non-eligible project types are:

- The purchase of vehicles or equipment of any kind;
- Historic research, archiving, web page design and publishing; and
- Land Acquisition or land rental.

IV. Funding Levels

The program provides a minimum grant of \$1,500 to the maximum amount of \$25,000 with a dollar-to-dollar match by the applicant. All dollar amounts should be rounded off to the nearest dollar. In-kind labor is applicable; labor rate will be \$10.00 per volunteer hour. The equipment in-kind rate will be the lower of two estimates from local equipment rental companies, enclose both estimates with the application. The in-kind labor

hours will be verified by the volunteer signing their name and date and hours worked. The grantee must maintain records for in-kind labor and equipment rental for close-out.

V. Application Process

The applicant must submit the following documentation to GOLD:

- detailed scope of work (name and physical address of cemetery);
- a budget detailing the use of funds (show match);
- 501(c)3 letter (if non-profit);
- a cemetery worksheet for each cemetery (found in this manual);
- "before" pictures of the cemetery;
- estimates, documentation of professionals, rights-of-way or easements; and
- resolution signed by the applicant.

VI. Application Review and Award Process

Upon review and award approval the following will occur:

- A. **Step 1- Memorandum of Agreement (MOA)**-The applicant will receive a non-binding letter of intent describing the general nature and requirements of the award. A Memorandum of Agreement (MOA) will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will have an expiration date for the completion of the project and expenditure of all funds. The MOA will be forwarded for signatures to the chief executive officer of the entity.
- B. **Step 2- Execution of Agreement**-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Each project will be governed by its own agreement outlining its own specific and unique terms.
- C. **Step 3- Disbursement of Funds**-To receive funds, the recipient will complete a Request for Disbursement form accompanied by quotes and cost estimates, which are relevant to the request. After the request form is received and approved by GOLD, a payment will be executed. If a Cemetery Board is the grantee, the board will be responsible for the distribution of funds to the appropriate recipient. There is no reimbursement for past work or services. Any funds not utilized for the purchases or services authorized in the MOA or not expended by the end date of the MOA are to be returned to GOLD, attention Cemetery Preservation, by check made payable to the Kentucky State Treasurer.
- D. **Step 4- Quarterly Report Submission**-Upon execution of the MOA the recipient shall be required to provide quarterly progress reports. The recipient should attach any pending financial documentation to this report, including copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October-December is due no later than January 30th

Third Quarter: January-March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

E. Step 5- Project Monitoring-GOLD staff will provide monitoring of activities based upon the scope of work, MOAs, project accounting, cost estimates, in-kind labor and equipment sheets, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to the Branch Manager, Special Projects, for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.

F. Step 6- Project Close-out-The recipients/grantees of projects shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished or the end date of the MOA, whichever occurs first. Once the report is received, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

The close-out documentation that must be submitted to GOLD includes:

- completion report;
- in-kind volunteer/equipment sheets;
- money not expended; and
- "after" pictures of project.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Cemetery Grant Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

KENTUCKY BODY ARMOR Program Guidelines

I. Eligible Law Enforcement Agencies Defined

KRS 16.220 defines eligible law enforcement agencies as sworn peace officers of city, county, charter county and urban-county police departments, public university safety and security departments organized pursuant to KRS 164.950, sheriff's departments and service animals, as defined in KRS 525.010.

II. Eligible Activities Defined

KRS 16.220 allows for the purchase of body armor for eligible recipients who do not have body armor or whose vest is 5 or more years older. The vests purchased must meet or exceed the standards of the National Institute of Justice for body armor. Statute also allows for the purchase of firearms ammunition.

Each department is free to purchase vests, firearms and ammunition from the vendor of their choosing.

III. Funding Levels

The program provides \$508 for each sworn peace officer vest requested and \$650 for each service animal vest requested. The funding levels are determined by the applicable state price contract amount established at the beginning of each state fiscal year.

The funding level for service weapons and ammunition is the bid price that the local agency receives for firearms and ammunition and the number of weapons and cases of ammunition are to be included in requests for these items.

IV. Application Process

The applicant must submit the Project Scope and Budget Form including the following information to GOLD:

1. A detailed scope of work (number of vests, firearms and ammunition requested);
2. A budget detailing the use of funds (show local match); and
3. A resolution signed by the applicant.

V. Application Review and Award Process

Upon review and award approval the following will occur:

- A. **Step 1- Memorandum of Agreement (MOA)**-The county, city or university will receive a non-binding letter of intent describing the general nature and requirements of the award. A Memorandum of Agreement (MOA) will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will be forwarded for signatures to the chief executive officer of the entity.
- B. **Step 2- Execution of Agreement**-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Each project will be governed by its own agreement outlining its own specific and unique terms.
- C. **Step 3- Disbursement of Funds**- To receive funds, the recipient will complete a Request for Disbursement form accompanied by quotes, receipts and/or invoices which are relevant to the request. The check will be made payable to the city, county fiscal court or university. In the event GOLD is unable to make payment directly to the sheriff's department, funds will be routed to the county fiscal court. The county fiscal court will have the responsibility of transferring the funds to the county sheriff department's account.

Any funds not utilized for the purchases authorized in the MOA or not expended by the end date of the MOA are to be returned to GOLD, Attention Body Armor Program, by check made payable to the Kentucky State Treasurer.

- D. Step 4- Quarterly Report Submission-**Upon execution of the MOA the recipient shall be required to provide quarterly progress reports. The recipient should attach any pending financial documentation to this report, including copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October–December is due no later than January 30th

Third Quarter: January–March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

- E. Step 5- Project Monitoring-**GOLD staff will provide monitoring of activities based upon to the scope of work, the MOAs, project accounting, cost estimates, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to the Branch Manager, Special Projects, for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.
- F. Step 6- Project Close-out-**The recipients/grantees of any Kentucky Body Armor Program project shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received by GOLD, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.
- G. Procurement**
All procurement should follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Body Armor Grant Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

AREA DEVELOPMENT FUND Program Guidelines

The Governor's Office for Local Development (GOLD) administers the Area Development Fund (ADF) Program in coordination with local area development districts. As outlined in statute, each Area Development District is responsible for drafting policies regarding the ADF funding, review and selection process. The completed applications will be considered at the Area Development District Board meetings and if approved, will be sent to GOLD for funding approval and payment. **Local governments interested in applying for these funds should contact their area development district for additional application information.**

I. Eligibility

To determine the eligibility of a capital project pursuant to KRS 42.350(2) and (3), the board of directors of each area development district shall give priority consideration to a proposed project which has funds allocated in addition to area development funds and shall consider need and long-term benefits in selection of a project.

The boards of directors of two (2) or more area development districts may propose joint capital projects to be financed by funds allocated to each participating area development district.

II. Application Process

A project proposal shall be submitted to GOLD on the Project Scope and Budget Form. Each proposal submitted by an area development district shall be accompanied by:

- The minutes of the area development district board meeting specifying project approval and the amount of area development funds allocated to the project;
- Itemized cost estimates prepared within thirty (30) days prior to the date of submission by a licensed architect or engineer; or price quote on each item from one (1) or more vendors or contractors obtained within thirty (30) days prior to submission;
- If a bid has already been acquired, all bid documentation including a copy of the advertisement, bid tabulation, a certification that the opening time and place was accurate, the contract, change order, purchase order, letter of award, minutes or state price contract. Bids are required for projects over the amount of \$20,000; and
- Statement of Assurances, otherwise known as ADF Assurances, by the chief executive officer of the beneficiary agency that all applicable laws and administrative regulations have been or will be met with attestation of the county clerk that the written assurances required by KRS 42.355 are recorded in the office of the county clerk in the county in which the project is located; and

The following conditions shall require the inclusion of the specified documentation in addition to other required documentation:

- A proposal to acquire real property or acquire interest in real property shall be accompanied by a licensed attorney's statement which sets forth the present holder of title, book and page number of the deed by which the holder received the title and sets forth each lien, mortgage, and claim against the property;
- If the beneficiary agency owns property rights by lease, the proposal shall be accompanied by a copy of the executed lease which shall be for a term longer than the life expectancy of the project, generally not less than a twenty-five (25) year period;

- A proposal to extend new water, sewer or other utilities shall be accompanied by easements, rights-of-way, or attorney determination and certification of existence of those easements or rights-of-way; and
- A proposal for purchase of real property shall be accompanied by an appraisal, and a survey by a licensed surveyor.

III. **Project Close-out**

A beneficiary agency shall maintain and submit the following records to GOLD:

- Project Completion Report (with ADF Assurances addendum);
- Copy of advertisement for bids, indicating each date and source of publication;
- Tabulation of all bids received with certification by the chief executive officer that all bids were opened at the time and place stated in the advertisement, the tabulation is true and accurate and all laws applicable to advertisement and award have been met;
- Copy of official records documenting award of the bid;
- Copies of canceled checks;
- Copy of the executed deed;
- Copies of statements or invoices; and
- Copy of note or other document marked paid.

Upon the area development district receiving either conditional or final approval of a project proposal, the grant recipient has two (2) years to implement and complete the project from the date at which the earliest approval was granted.

Any funds remaining in a GOLD Area Development District's Fund Account, and not granted and disbursed to a beneficiary agency for a capital project, as of close of business June 30 of the last year of a biennium, shall be carried over to the next fiscal year.

Excess grant money disbursed to a beneficiary agency for a capital project but not expended, as of close of business June 30 of the last year of a biennium, shall be returned in accordance with KRS 42.355(2).

A local government unit that has received GOLD project approval shall complete that project prior to being eligible to engage in a future area development fund project.

A project shall not be deemed completed until all work has been completed and approved, and the project completion report submitted to GOLD.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Area Development Fund Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

Executive Order 2007-298 Funds Program Guidelines

I. Executive Order 2007-298 Funds Defined

Executive Order 298 Funds, otherwise known as 298 Funds, are monies made available through Executive Order 2007-298 for projects necessitated as a result of the threat of failure of the Wolf Creek Dam and the lowering of the lake elevation at Lake Cumberland. Eligible grant recipients are local governmental entities located in the following counties: Caldwell, Christian, Clinton, Cumberland, Logan, Lyon, McCreary, Monroe, Pulaski, Russell, Simpson, Todd, Trigg and Wayne counties.

The application cycle for these funds is open and awards will be made on a rolling basis. All projects must meet the criteria set forth in the Executive Order 2007-298.

II. Award of Authorized 298 Funds -The above mentioned 298 Funds will be processed as follows:

A. Step 1-Project Scope and Budget Form-The grant applicant must submit the following documentation to GOLD:

1. detailed scope of work (Division of Water and Corp of Engineer Permits Required);
2. a budget detailing the use of funds (Administrative costs are an eligible expense for these funds but are capped at 3% of the total project cost not to exceed \$30,000.); and
3. resolution signed by the applicant.

In addition, please provide a copy of an executed local Declaration of Emergency (when applicable)

When filling out the application, applicants should:

1. select the "Other" check box and enter the text 298 Funds next to the word "Other";
2. provide the WX/SX number for all Water and Wastewater Projects. Applicants can apply for a SX or WX number through their local Area Development District via the WRIS system and Area Water Management Council; and
3. utilize all documents found in the Office of State Grants Program Guidelines Manual (located at www.gold.ky.gov/grants/stategrants).

Please note: In no way does the Declaration of Emergency negate the applicants responsibility to have the necessary documentation (permits, easements, etc.) required by state and federal regulations.

B. Step 2-Memorandum of Agreement (MOA)-When GOLD recognizes the authorization of a 298 Fund award, the county will receive a non-binding letter of intent describing the general nature and requirements of the award. A Memorandum of Agreement (MOA) will outline the specific terms of the award to include procedures for obtaining the funds. Among these terms is a requirement that any covenants, mortgages and/or security instruments be recorded in the applicable county clerk's office. The MOA will be forwarded for signatures to the recipient, GOLD representatives and beneficiary firms, if applicable.

C. Step 3-Execution of Agreement-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Failure to comply with the grant agreements may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to GOLD and to the general fund. Each project will be governed by its own agreement outlining its own specific and unique terms.

D. Step 4-Disbursement of Funds-To receive funds, the recipient will complete a Request for Disbursement form accompanied by quotes, cost estimates, receipts and/or invoices which are relevant to the request. Requests for Disbursements may be submitted as needed or as costs are encumbered. After the request form is received

and approved by GOLD, a payment will be executed. The Project Manager/Administrator and GOLD staff must approve all disbursement requests.

- E. **Step 5-Quarterly Report Submission-** The recipient is required to submit a separate report for each individual project. The recipient should attach any pending financial documentation to this report, including copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October–December is due no later than January 30th

Third Quarter: January–March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

- F. **Step 6-Project Monitoring-**GOLD staff will conduct monitoring of activities based upon the scope of work, the MOAs, project accounting, cost estimates, line-item budgets, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to GOLD for additional review, determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.
- G. **Step 7-Project Close-out-**The recipients/grantees of any EO 298 funds shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received by GOLD, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

III. Additional Components

- A. **Audit Requirement-**All EO 298 fund recipients are subject to an independent annual audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to GOLD no later than 12 months after the end of each fiscal year in which the grant awards were received by a recipient.
- B. **Procurement**
All procurement should follow KRS 45A or KRS 424.260, as well as local procurement guidelines.
- C. **Electronic Funds Transfer**
Electronic Funds Transfer (EFT) is an option for grantees who wish not to receive a check by mail. GOLD staff will assist interested parties regarding EFT arrangements.

Application forms can be found on the GOLD website below and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
EO 298 Funds
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

RAMP ASSISTANCE PROGRAM Program Guidelines

The Kentucky Transportation Cabinet in conjunction with the Governor's Office for Local Development (GOLD) is implementing a project directed to assist local governments in extending publicly owned boating ramps due to the lowering of Lake Cumberland during the repair of Wolf Creek Dam.

I. Eligible Agencies Defined

City governments and County Fiscal Courts are the only eligible grantees for this project.

II. Eligible Activities Defined

Eligible project activities are those construction and engineering activities necessary to extend existing ramps owned by local governments to insure continued use by the public during the repairs to Wolf Creek Dam.

III. Funding Levels

Funding levels will be determined by the availability of funds as provided by the Kentucky Transportation Cabinet. No project administration fees will be authorized for this program. **All projects must be bid using the local entity's procurement procedures.**

IV. Application Process

The applicant must submit the following documentation to GOLD:

1. A detailed scope of work;
2. A budget detailing the use of funds;
3. A resolution signed by the applicant.
4. A copy of the permit from the Corps of Engineers for the project.
5. A copy of all bids submitted for each ramp project and proof of acceptance by the local entity.

V. Application Review and Award Process

Upon review of the items requested in the Application Process, and approval of the application, the following will occur:

- A. **Memorandum of Agreement (MOA)**-The local entity will receive a non-binding letter of intent describing the general nature and requirements of the award. A Memorandum of Agreement (MOA) will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will be forwarded for signatures to the chief executive officer of the entity.
- B. **Execution of Agreement**-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Each project will be governed by its own agreement outlining its own specific and unique terms.
- C. **Disbursement of Funds**-Upon the completion of a fully executed MOA, GOLD will take the required steps to issue a hard copy check. The check will be made payable to the local entity. The local entity will have the responsibility of transferring the funds to the appropriate account.

Any funds not utilized for the expenses authorized in the MOA or not expended by the end date of the MOA are to be returned to GOLD, Attention RAMP Program, by check made payable to the Kentucky State Treasurer.

- D. **Project Monitoring**-GOLD staff will provide monitoring of activities based upon the scope of work, the grant agreement/MOA, project accounting, cost estimates, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements. GOLD may complete site monitoring visits on projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to the Branch Manager, Special Projects, for additional review, determination and action. The terms of the executed grant agreement for a particular project may set forth other obligations for that particular project.
- E. **Project Close-out**-The recipients/grantees of any RAMP Program project shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.
- F. **Procurement** - All procurement should follow KRS 45A or KRS 424.260, as well as local procurement procedures.

Application Forms can be obtained from, and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
RAMP Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
www.gold.ky.gov

GUIDELINES RELATING TO E-PRESCRIBING PARTNERSHIPS IN KENTUCKY (ePPIK) GRANT PROGRAM

I. OVERVIEW OF THE E-PRESCRIBING PARTNERSHIPS IN KENTUCKY (ePPIK) GRANT PROGRAM

A. Grant Overview

On March 8, 2005, Governor Fletcher signed Senate Bill 2, authorizing the development of a statewide Kentucky e-Health Network. As authorized in SB2, Governor Fletcher has tasked the Kentucky Cabinet for Health and Family Services (CHFS) with supporting efforts to develop and expand health information technology (HIT) and health information exchange (HIE) capabilities in the Commonwealth of Kentucky. CHFS provides staff support to the Kentucky e-Health Network Board and works closely with the Board's co-chairs and members to determine activities that will advance e-Health in Kentucky.

One promising but underutilized e-Health application in Kentucky is e-Prescribing. E-Prescribing can be defined as interactive electronic communications between physicians and pharmacies focused on the submission of prescriptions, refill authorizations, and other patient-based information related to pharmaceuticals. It is recognized as a clinically-oriented example of HIT that can improve care quality, safety and efficiency and have immediate benefits for patients, physicians, pharmacies, and health plans. E-Prescribing can result in fewer adverse allergic or drug-drug interactions, closer adherence to evidence-based guidelines, greater utilization of generic substitution, quicker and more efficient transactions, and fewer transcription errors between physicians and pharmacists.

Currently, adoption of HIT nationwide lags far behind other industries. High initial investment costs and technical support issues are two of the major challenges that providers face when looking at HIT adoption. Another issue is that, while some pharmacies and physician offices in Kentucky have adopted the HIT necessary to do e-Prescribing, they often have not developed the business relationships and agreements necessary to enable a prescription to be sent electronically from a physician office to a pharmacy. Therefore, grant funding and the formation of community partnerships can assist with these issues by making HIT adoption more affordable, sharing technical support services and developing relationships and work patterns that support electronic information-sharing among health care entities.

Likewise, the impact of e-Prescribing on Prescription Drug Monitoring Programs (PDMPs) such as CHFS' Kentucky All-Schedule Prescription Electronic Reporting (KASPER) program, will certainly be significant as e-Prescribing becomes more customary and advanced. Given the personal and sensitive nature of the information collected by PDMPs, the need for accurate and consistent information is paramount. Currently, information flows to KASPER in a batch format from dispensing entities. E-Prescribing technology is of great interest to KASPER and other PDMPs due to its potential to offer additional clarity and precision to the prescription drug data stream, ultimately improving its overall accuracy and usefulness. In recent years, KASPER has taken advantage of U.S. Department of Justice grant funding to conduct technical enhancements as well as study potential areas of improvement. By drawing on these grant funds to accelerate e-Prescribing adoption in Kentucky, KASPER officials have a unique opportunity to learn how this technological advance could enhance the future of KASPER.

Thus, CHFS and the Kentucky e-Health Network Board are working in partnership with other organizations and programs to enhance e-Prescribing in Kentucky through the e-Prescribing Partnerships In Kentucky (ePPIK) Grant Program. Funding for the ePPIK grant program comes from the Foundation for a Healthy Kentucky and the Hal Rogers Grant that supports the KASPER Program. The Foundation for a Healthy Kentucky is a non-profit organization that seeks to address the unmet health care needs of Kentucky. The total funding available for this grant program is \$300,000.

CHFS is offering this grant program in partnership with the Governor's Office of Local Development (GOLD). GOLD has extensive experience in administering grant programs such as ePPIK and working with communities around the state. GOLD will serve as the fiscal and administrative agent of CHFS for the ePPIK grant program.

B. Purpose of the Program

The ePPIK grant program will provide grants of up to \$90,000 to partnerships that implement pilot e-Prescribing initiatives in communities around Kentucky. The program seeks to offset the costs for clinicians and other health care partners in a community to purchase the HIT necessary to implement e-Prescribing. To ensure there is true e-Prescribing, the grant program also seeks to encourage the formation of community partnerships among various health care entities, including but not limited to physician practices, clinics, pharmacies, hospitals, non-profit organizations or associations, technology vendors, and Kentucky-based regional health information organizations (RHIOs). This program will also gather information on the impact that e-Prescribing has on the use and effectiveness of the eKASPER system.

II. PROGRAM FUNDING ELIGIBILITY

A. Eligible Grantees

Grants are available through ePPIK to partnerships of physician practices, clinics, pharmacies, hospitals or other health care organizations in a community or region that are willing to work together to engage in e-Prescribing. Applications for awards must meet the following criteria to be eligible:

- Demonstrate a partnership between at least one physician practice/clinic and one pharmacy in a community to work together to implement e-Prescribing;
- Applicants and/or their partners, when applicable, must be licensed professionals, pharmacies or providers in the Commonwealth of Kentucky in good standing;
- Physician practices and clinics and pharmacies must utilize eKASPER for checking controlled substance use; and
- Applicants must certify that required matching funds are available to assure adequate funding for project completion.

Central to each proposal must be at least one physician practice or clinic that will utilize e-Prescribing in daily medical practice with patients. Proposals must include implementation of electronic submission of prescriptions to at least one pharmacy.

The Cabinet has set minimum eligibility requirements for this grant program in order to avoid placing too many restrictions on the nature of the arrangements clinicians may form and to allow clinicians flexibility to tailor a partnership to their needs. However, broader collaborative efforts, versus proposals from just one physician practice and one pharmacy, are preferred. This is because they may offer benefits related to shared costs, increased negotiating leverage, technical support, adoption within a community, and may lead to greater collaboration and health information exchange within a community in the future. Thus, CHFS encourages the formation of broader community partnerships that include multiple physician practices, multiple pharmacies, hospitals, insurers, employers, non-profit organizations or associations, technology vendors, and Kentucky-based RHIOs where appropriate and feasible. A community non-profit organization, local medical society or RHIO, for instance, could serve as the administrative and fiscal agent for a partnership as long as physician practice/clinic and pharmacy involvement is demonstrated in the proposal.

B. Eligible Projects

Grant funds may be used for the following:

- Development and formalization of e-Prescribing partnerships in a community and execution of any business agreements necessary for the partnership;
- Purchase of either an EMR system or e-Prescribing software in a clinical setting, either a physician practice or clinic;
- Implementation of the EMR or e-Prescribing system in a physician practice or clinic, including training appropriate staff on how to use the system; modifications of existing work flow and communications between physician practices/clinics and pharmacies to support sending prescriptions electronically; use of the system during patient encounters and when preparing prescriptions; and connecting and sending the prescription to a pharmacy

electronically. For the purposes of this program, faxed prescriptions do not fulfill the electronic connectivity requirement.

- Evaluation of the impact of adopting EMR or e-Prescribing technology on the KASPER program through reporting required under the ePPIK grant program.

Applicants are required to supply matching funds on a one-to-one basis. For instance, if applying for the maximum grant award of \$90,000, applicants must match the grant funds with \$90,000 of their own investment. Matching funds from applicants can be either in-kind or cash contributions, with in-kind contributions capped at 50% of the matching funds. In-kind contributions can include physical items such as office supplies, equipment, hardware or software; administrative expenses such as copies, printing costs, phone expenses, mileage, or newspaper charges; personnel costs such as staff time and fringe and consultant expenses; and services such as training, technical support or assistance. All in-kind contributions must be valued at actual cost or at fair market value, whichever is less.

EMR or e-Prescribing software purchased must provide a secure, end-to-end electronic connectivity between a physician practice and one or more pharmacies; enable prescription orders, fills, refills and cancellations; be compliant with the Health Insurance Portability and Accountability Act (HIPAA), meet federal e-Prescribing interoperability standards (see 42 CFR Part 423 e-Prescribing final rule published on November 7, 2005); and have RxHub, Surescripts or other related e-Prescribing compatibility. Grantees are strongly encouraged to utilize software that has been certified by the Certification Commission for Healthcare Information Technology and to utilize software that includes a medication history, formulary, and automatic drug interaction features. CHFS encourages the adoption of EMR systems generally due to the greater clinical benefits for clinicians and patients, but applicants should note that these systems may be more expensive and time-intensive to purchase and implement. E-Prescribing software may be less expensive and may be deployed more quickly, although it has more limited functionality.

Additionally, each project proposal must be accompanied by a letter of support from the chief executive officer, owner, director, or a person in the comparable senior leadership position within each of the organizations that will participate in the proposed partnership stating that the individual has reviewed the proposal and is willing to commit required personnel and/or financial resources if awarded a grant.

Grant proposals should also explain briefly how the partnership plans to ensure HIPAA compliance, if there are any applicable Stark physician referral or anti-kickback issues with the partnership, and how the partnership plans to handle those issues (i.e., through new safe harbor regulations, etc.).

Grant funds shall not be utilized for: travel, food, beverage, meals, furniture, construction, rent or other overhead, or indirect costs.

C. Award of ePPIK Grants

EPPIK grants are subject to the final approval from the Office of the Governor following the recommendation of the Secretary of the Health and Family Services Cabinet and members of the ePPIK Grant review team. In order for a project to be funded, a determination must be made regarding the project need, reasonability of costs and overall project effectiveness. EPPIK grants are awarded through a two-phased draw system. The MOA will specify that grantees will receive payment of 50% of the grant award upon execution and return of the agreement to GOLD. The agreement will further specify that GOLD will release the remaining portion of the grant award upon completion of the grant requirements and deliverables, including submission of the grantee completion report and expenditure of all required matching funds. The agreement will specify that all funds require submission of adequate support documentation in order to receive funds. Once the project is approved, the scope of work may only be amended under extreme circumstances as determined by GOLD on a case-by-case basis.

The criteria for the approval of project requests and awards will include, but are not limited to:

- A well-designed and organized proposal with a general description of the roles and responsibilities of all partners and relevant letters of support;
- Clear plan with a feasible timeline and reasonable budget for establishing end-to-end connectivity with pharmacies for sending prescriptions electronically;
- Range of support and diversity of involvement among stakeholders within a community;
- Understanding of eKASPER and willingness to work with the Cabinet to assess the impact of e-Prescribing on eKASPER; and
- Demonstrated readiness for change, high level of commitment among all partners and solid financial strategy for health IT adoption.

Grant funds will be targeted where possible to health care entities that serve vulnerable and underserved populations and that lack the resources to adopt HIT on their own. Thus, additional factors for consideration by the ePPIK review team are:

- Service to a high number or percentage of Medicaid, lower-income or uninsured patients;
- Service in rural or underserved areas;
- Smaller size of partner entities, especially the physician practice or clinic;
- Limited resources for HIT investment; and
- Absence of an electronic medical record system or e-Prescribing technology at the time of the grant application.

III. EPPK GRANT PROCESS

A. Grant Cycle

ePPIK Grants are competitive one-time grant awards. Open enrollment for the application process begins October 12, 2006. Acceptance of full applications will close on December 13, 2006. No applications will be accepted with a postmark date after December 13, 2006. Final award announcements will be made by December 22, 2006.

Subsequent to grant award announcements, GOLD's Office of State Grants' staff will prepare and provide the Memorandum of Agreement to the recipient. Grant recipients will have until June 30, 2007 to expend all funds. A single, four-month extension of the contractual period may be granted following a written request to GOLD. Approval will be granted by the authorizing agency, the CHFS. However, due to the federal funding cycle, no further extensions will be allowed.

B. Application Process

Applications must include:

- A detailed project narrative that includes 1) a statement of need, 2) scope of work, 3) description of the roles and responsibilities of all partners, 4) explanation and plan for compliance with HIPAA, Stark and anti-kickback laws, where appropriate, and 5) a timeline for completion (project narrative has a page limit of 10 pages, double-spaced, 11 point font or greater);
- Letters of support from senior leadership of the partners committed to the project; and
- a detailed budget providing the overall project budget including both grant funding requested and matching funds, expenses listed by category (personnel, equipment, supplies, office expenses, other) and a certification of the availability of matching funds.

Applicants must submit two (2) copies of the application and all supporting documentation to GOLD.

Applications received after the December 13, 2006 deadline will be returned to the applicant. During the full application phase applicants should clearly address and provide documentation and verifiable justification to support any claims for extra consideration factors for competitiveness.

Application forms can be obtained from, and completed grant applications should be returned to:

Governor's Office for Local Development
Office of State Grants
EPPIK Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

IV. GRANT AWARDS

A. Contractual Agreements

No funds shall be made available under the EPPIK Grant Program until all parties have signed a MOA. GOLD is responsible for the preparation of all contractual agreements and the disbursement of funds. Any event of default of the MOA may result in a forfeiture of all ePPIK funds remaining under that agreement. Any misappropriation of ePPIK funds may result in the grant recipient being responsible for the return of any disbursed funds to date. Each project will be governed by its own agreement outlining its own specific use. Terms of the agreement will be determined by the ePPIK Grant Program procedures and the nature of the individual project.

The MOA will specify that funds are made available on a reimbursement basis and require submission of adequate support documentation in order to receive funds. The MOA will have specific languages as to scope of the project, disbursement of funds, reporting requirements, audit requirements, contractual period, recaptured fund requirements, procurement requirements, legal obligations, etc. All grant recipients must comply with all state or federal laws governing specific types of projects, such as procurement codes relating to the purchase of equipment, permits, etc.

Process: Upon being awarded, GOLD will prepare and mail the MOA for execution by grant recipients. GOLD's Office of State Grants' staff will enter all Grant Agreements into the state's accounting system and submit the Grant Agreement to the Finance and Administration Cabinet and the Legislative Research Commission (LRC) for approval and/or review. Funding will not be made available until the MOA has been signed by both parties and entered into the state system. **Any costs incurred by the grantee or sub-grantee prior to the final MOA signing date are the sole responsibility of the respective parties.**

Contractual Period: The grant recipient will have until June 30, 2007 to expend the grant funds unless granted an extension.

Amendment and Extensions: The grant recipient must request all amendments to the Grant Agreement in writing. Amendments may only address moving or adjusting of budget line item amounts. All requests for amendments must be submitted with proper justification to GOLD's Office of State Grants' Branch Manager for review. Approval of amendments to Grant Agreements will be conveyed by letter and an amendment from the Commissioner of GOLD. No verbal approvals will be made to recipients. No approval of amendments will be certified or honored until proper execution and receipt of the amendment document by GOLD. In cases in which there is sufficient reason and just cause, the grantee may submit a request to amend the grant contract period. The maximum extension available for the contract period will be four (4) months. Any un-used funds, following expiration of the contract period, will be returned to the ePPIK Grant Program.

B. Procurement

Procurement of goods and services must comply with all state procurement guidelines, which reflect applicable provisions of KRS 45A or Chapter 424. The MOA will provide guidelines to which grantees should adhere particularly in the purchase of computer hardware and software, including but not limited to, the use of a competitive request for proposals (RFP) for determining vendors, publication of the RFP notice in the newspaper, followed by seven business days for potential bidders to respond, and a set of specific criteria for evaluating responses.

C. Disbursement of Funds

Due to the high cost of software and hardware acquisition, grantees will receive payment of 50% of the grant award upon execution and return of the MOA to GOLD. The agreement will further specify that GOLD will release the remaining portion of the grant award upon completion of the grant requirements and deliverables, including submission of the grantee completion report and expenditure of all required matching funds.

To receive the remaining 50% of funds at the close of the project, the eligible recipient must complete a Request for Reimbursement form accompanied by adequate supporting documentation showing commitment of ALL grant funds and matching contributions. Final disbursement of funds for projects will not be made without receipt by GOLD's Office of State Grants of the Request for Reimbursement form and required support attachments for ALL expended grant funds and in-kind contributions (copy of cancelled checks, invoices, estimates and receipts).

No disbursement of funds will be made for any expense incurred prior to the LRC release date of the MOA. Only invoices and cancelled checks that reflect personnel costs or purchases that occur after the LRC release date and GOLD approval of the memorandum of agreement will be reimbursed. If the recipient fails to comply with these guidelines or any requirements of the Grant Agreement, requests for disbursement will be held and no disbursement of funds will be made until compliance has been determined by GOLD's Office of State Grants.

Grant recipient must establish and maintain a financial management system in accordance with generally accepted accounting principles and pursuant to KRS Chapter 91A.

D. Recycled Funds

All income received from the use, lease or sale of any project funded by GOLD's Office of State Grants during and through the dates of the public purpose requirements as defined in the grant agreement shall be collected and refunded periodically to GOLD for reallocation to other eligible activities or be recycled by the grant recipient into other approved GOLD's Office of State Grants projects for a like public purpose. Grant recipient shall keep adequate documentation of the utilization of all recycled funds.

V. PROJECT REPORTING/MONITORING REQUIREMENTS

A. Project Reporting Requirements

Upon execution of the memorandum of agreement the grant recipient shall be required to provide quarterly progress reports. Quarterly reports shall be due the 30th day following the end of a quarter.

First Quarter: January – March is due by April 30th

Second Quarter: April – June is due by July 30th

Third Quarter: June – August is due by September 30th

This schedule applies throughout the period of the project. Failure to comply with reporting will delay payment on reimbursement requests. This includes incomplete reports, failure to submit support documentation and invoices, plans, failure to submit the quarterly report, etc. Grant recipients must complete the Quarterly Report form for each project awarded. Each section of the form must be completed with any related support documentation relevant to the project and any pending documentation related to a request for reimbursement, such as all expenditures of funds for that quarter. Failure to submit or fully complete the required report will also place the grant recipient in noncompliance status at which time GOLD's Office of State Grants staff will assist to complete necessary corrections and/or submissions within a reasonable timeframe.

A Final Completion Report is due by July 31, 2007 or upon completion of the project. Final Completion Reports will include a short description of the grant proposal; amount awarded, how funds were expended; description of the process for implementing e-Prescribing; what challenges grantees faced during the development and implementation process; any benefits, improvements or efficiencies grantees encountered or expected from e-Prescribing implementation by the partnership; and what impact e-Prescribing implementation had on use of the eKASPER program, on the timeliness and accuracy of reporting, and the ability to receive eKASPER reports. Each section of the report form must be completely filled out with any related support documentation and with any required pending documentation. Upon receipt of the completion report the GOLD's Office of State Grants' staff will conduct a final site visit.

Upon receipt of the completion report and/or final draw on a project, GOLD's Office of State Grants staff will send a letter to the recipient for signature authorizing GOLD to close-out the financial aspect of the project and confirming that all items are complete and the project is finished. Monitoring questions may be directed to GOLD's Office of State Grants' Branch Manager in writing.

B. Program Monitoring and Project Closeout

GOLD's Office of State Grants shall maintain a project file on all grant projects. GOLD's Office of State Grants staff will provide monitoring of activities relative to the scope of work and the Grant Agreements, project accounting, cost estimates, change orders, all legal documentation, quarterly progress reports and compliance with all reporting requirements and reimbursement requests. GOLD's Office of State Grants reserves the right to request any and all related documentation relative to the completion of the project for review and recording in the file at any time during the project and upon completion before close-out. GOLD's Office of State Grants will complete site monitoring on all projects during the course of the project and prior to project close-out to assure compliance with the specified scope.

READY, SET, SUCCESS Program Guidelines

The Department for Human Support Services in the Cabinet for Health and Family Services (CHFS), in conjunction with the Department for Public Health, is implementing a pilot project directed for local county governments. The Governor's Office for Local Development (GOLD) will administer the project.

I. Eligible Agencies Defined

County Fiscal Courts are the only eligible grantees for this pilot project.

II. Eligible Activities Defined

Pilot project activities are defined as the development of local community partnerships with defined membership to develop measurable objectives regarding the five areas of impact outlined in HB 380. Each local community shall conduct a comprehensive assessment of community resources, a review of community needs, and a status review of child well-being indicators. The areas of impact are:

- Children are born healthy
- Children are nurtured
- Children remain healthy
- Children remain safe
- Children are prepared to succeed in school and life

The result of this work will be the production of a formal document outlining a "plan of action" to address the enhancement of services for children in the local community.

III. Funding Levels

Each selected county will receive \$12,000 in agency funds for the one-year project. A \$5,000 local cash match and a minimum of \$15,000 local in-kind match are required to obtain funding.

IV. Application Process

The applicant must submit the following documentation to GOLD:

1. A detailed scope of work;
2. A budget detailing the use of funds (show local match); and
3. A resolution signed by the applicant.

V. Application Review and Award Process

The list of applicants will be submitted to the Ready, Set, Success State Advisory Council for review and recommendations. The Commissioner for the Department for Human Support Services will be advised of the amount of funds available for disbursement and of the budgetary cap allowance. Upon review of the Ready, Set, Success State Advisory Council and concurrence by the Commissioner, the following will occur:

- A. Memorandum of Agreement (MOA)**-The County will receive a non-binding letter of intent describing the general nature and requirements of the award. A MOA will outline the specific terms of the award to include procedures for obtaining the funds. The MOA will be forwarded for signatures to the chief executive officer of the entity.
- B. Execution of Agreement**-No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. GOLD is responsible for the preparation of all contractual

agreements and the disbursement of funds. Each project will be governed by its own agreement outlining its own specific and unique terms.

- C. **Disbursement of Funds**-Upon the completion of a fully executed MOA, GOLD will take the required steps to issue a hard copy check. The check will be made payable to the county fiscal court. The county fiscal court will have the responsibility of transferring the funds to the appropriate account.

Any funds not utilized for the expenses authorized in the MOA or not expended by the end date of the MOA are to be returned to GOLD, Attention Ready, Set, Success Program, by check made payable to the Kentucky State Treasurer.

- D. **Project Monitoring**-GOLD staff will provide monitoring of activities based upon the scope of work, the grant agreement/MOAs, project accounting, cost estimates, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements. GOLD may complete site monitoring visits on projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to the Branch Manager, Special Projects, for additional review, determination and action. The terms of the executed grant agreement for a particular project may set forth other obligations for that particular project.

- E. **Project Close-out**-The recipients/grantees of any Ready, Set, Success Program project shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. The recipients/grantees shall also submit a formal document to GOLD outlining the findings noted in Section II of this proposal. This report shall be forwarded to the Ready, Set, Success State Advisory Council and the Commissioner for the Department for Human Support Services. Once the report and subsequent approval from the Commissioner is received by GOLD, close-out procedures will begin.

- F. **Procurement**
All procurement should follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

Application Forms can be obtained from, and completed forms should be returned to:

Governor's Office for Local Development
Office of State Grants
Ready, Set, Success Program
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
502-573-0175 (fax)
<http://www.gold.ky.gov/grants/stategrants>

Summary of Legal Issues

Governor's Office for Local Development

Periodically, the Governor's Office for Local Development (GOLD) may provide letters outlining various legal issues that counties or industrial development authorities may find useful in the grant application process and as projects progress. Below are summaries of issues that have presented themselves in the past. For additional detail, please contact GOLD's Office of Legal Services at 800-346-5606.

Open Meetings Law

The Kentucky Open Meetings Act can be found in KRS 61.805 to 61.850, and requires all public agencies to give public notice of their meetings. The Attorney General's office has brochures that explain the law in detail, but there are particular requirements under the law that public agencies, including authorities, should understand.

Generally, the place for all meetings must be one that is convenient to the public and meetings must be held at specified times. A public agency should provide for a schedule of regular meetings by ordinance, order, resolution, bylaws or by some other means. The schedule must be made available to the public.

Minutes of actions taken at every meeting must be kept by public agencies, and must set forth an accurate record of votes and actions taken. These minutes must be open for inspection by the public no later than the conclusion of the agency's next public meeting.

To the extent possible, meeting room conditions should allow for effective public observation of the meetings. No person attending the meeting can be required to identify himself in order to attend the meeting. The agency cannot place conditions on attendance of the public at a meeting other than the conditions required to maintain order. Since the General Assembly has not established procedural rules for the conduct of meetings and citizen participation, each agency must adopt its own rules and procedures. Additionally, public agencies must permit news media coverage, including recording and broadcasting.

All meetings that are not regularly scheduled are considered "special meetings," and are subject to certain additional requirements. The presiding officer or a majority of the members of a public agency may call a special meeting. The agency must provide written notice of the special meeting, including the date, time, and place of the special meeting and the agenda.

As soon as possible, written notice must be personally delivered, transmitted by facsimile, or mailed to every member of the agency and each media organization which files a written request to receive notice of special meetings. The statute does not allow for special meeting notice by electronic mail (email). Notice should be received at least twenty-four hours in advance of the special meeting. Written notice must also be posted in a conspicuous place in the building where the special meeting will take place, and in a conspicuous place in the building where the agency has its headquarters. The posting must also be done as soon as possible and posted at least twenty-four (24) hours before the special meeting.

If an emergency prevents the public agency from complying with these requirements for a special meeting, the agency must make a reasonable effort to notify the members of the agency, media organizations which have filed a written request to be notified, and the public of the "emergency meeting." At the beginning of the emergency meeting, the person chairing the meeting must describe for the record the emergency that prevented compliance with the notice provisions, and these comments should appear in the minutes. Discussions and actions at the emergency meeting must be limited to the emergency for which the meeting was called.

The Open Meetings Act allows a public agency to discuss certain subjects in a closed or executive meeting if notice is given in the regular meeting of the general nature of the business to be discussed, and the agency cites the specific exemption authorizing the closed session. A closed session may be held only after a motion is made and carried in open session, and no final action may be taken in closed session.

The exemptions to the Open Meetings Act include:

- Deliberations of the Kentucky Parole Board;
- Deliberations on the future acquisition or sale of real property by a public agency when publicity would likely affect the value of the property;
- Discussions of proposed or pending litigation involving a public agency;
- Grand or petit jury sessions;
- Collective bargaining negotiations between public employers and their employees;
- Discussions or hearings that might lead to the appointment, dismissal, or disciplining of an individual employee, member or student. However, general personnel matters may not be discussed in private;
- Discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the location, retention, expansion or upgrading of the business;
- State and local cabinet meetings and executive cabinet meetings;
- Committees of the General Assembly other than standing committees;
- Deliberations of judicial or quasi-judicial bodies involving individual adjudications or appointments. This does not include meetings of planning commissions, zoning commissions or boards of adjustments; and
- Meetings which federal or state law or the Constitution require to be conducted privately.

The Open Meetings Act prohibits any series of less than quorum meetings, where the members attending one or more of the meetings collectively constitute at least a quorum of the members of the agency, if the meetings are held to avoid the requirements of the Act. This prohibition does not preclude discussions between individual members if the purpose of the discussion is to educate the members on specific issues.

Proxy Voting

Proxy voting by directors of an authority is not allowed under Kentucky statutes. Directors may vote by video-telephone, where the public can both see and hear the participant, but cannot vote by telephone only. However, directors cannot act in lieu of a meeting by unanimous written consent, as this would violate the requirements of the Open Meetings Act.

Tax Status of Development Authority

Industrial Development Authorities created under KRS 154.50-301 to 154.50-346 can receive an exemption from state sales and use tax by the Kentucky Revenue Cabinet. At least two of the regional industrial authorities have done so. An authority must submit an "Application for Purchase Exemption – Sales and Use Tax" (Form 51A125) to the Revenue Cabinet, Division of Tax Administration, Sales and Use Tax Section, 200 Fair Oaks Lane, Frankfort, Kentucky, 40620, to receive such an exemption.

As for federal tax status, an opinion rendered by Wyatt, Tarrant & Combs dated May 25, 2000 states that income accruing to authorities should be excludable from federal income taxation under Section 115 of the Internal Revenue Code, which excludes from gross income any "income derived from any public utility or the exercise of any essential governmental function and accruing to State or any political subdivision thereof."

Additionally, some regional industrial authorities have sought, and at least in one case received, tax exempt status under Internal Revenue Code Section 501(c)(6), which applies to non-profit business leagues, etc., or Section 501(c)(4), which applies to organizations promoting social welfare. It is the opinion of the attorney from Wyatt, Tarrant & Combs that an authority could obtain a federal income tax exemption under either of these sections, but that to do so would confer no special benefit, nor automatically make any contributions tax deductible.

GOLD's position is that an authority should consult with their local counsel to see if there is any tax advantage for that specific authority in filing for Section 501 status. There is a \$500.00 filing fee for an exemption.

Model Procurement Code

KRS Chapter 45A provides for a Model Procurement Code for procurement of state purchases. The statute provides that local “purchasing agents” may follow the Model Procurement Code.

For a county industrial development authority, GOLD recommends that the authority follow whatever procurement policy the county has adopted, whether that is the Model Procurement Code, the procurement process under KRS Chapter 45, or some other established method created locally.

For a regional industrial development authority, GOLD strongly suggests that the authority follow KRS Chapter 45A, or at a minimum KRS Chapter 45.

Wage Law

Given the intricacies of the Prevailing Wage Law, and its applicability to an industrial authority project, GOLD encourages an authority to discuss with their local counsel and/or the Kentucky Labor Cabinet the relevance of the Prevailing Wage Law to any project with which the authority is involved.

Financial Reporting/Accounting

All grants are made to the impacted counties and may be administered through contracts administered by an agent of the county government or by a political subdivision of county government (for example, an industrial development authority.)

In the event that the fiscal court is going to administer the program, the county (the fiscal court via the county treasurer) will receipt the fund as Fund #31 and revenue account #4508. Disbursements of funds shall be coded as 31-XXXX-XXX.

If the county is to have its agent (such as an industrial authority) administer the program it is not necessary to create a separate fund but may pass the money through an existing fund. For example, 01-4508 (general fund/LGED receipts) and 01-5075348 (general fund/economic development/program support). This would represent a pass-through program where an entity such as a county industrial development authority is managing the program on behalf of the county. The funds must be traceable to the final level of expenditure.

If LGEDF receipts are not included as anticipated revenue per the adopted budget, GOLD will withhold disbursements of LGEDF to the county until such time as the county has amended its budget to reflect the anticipated receipt and expenditure of this money.

Office of State Grants Program Administration

The Office of State Grants will follow the project administration steps enumerated herein for all programs outlined in these guidelines. In order to streamline the funding process, you will notice that all forms for all Office of State Grants programs are the same. Recipients of LGEDF Grants, Line-Item, Renaissance on Main Grants, Cemetery Preservation Funds, Kentucky Body Armor Funds and Area Development Funds.

The exceptions are:

- Quarterly Reports are not required for Area Development Funds; and
- Request for Disbursement Form is not required for Area Development Fund projects.

The Office of State Grants has Field Services staff located in four offices across the Commonwealth. Please refer to the enclosed map to see the counties served by each of the offices. For a complete list of field staff and contact information, please visit <http://www.gold.ky.gov/grants/stategrants/>. These individuals provide direct services to the recipients of all Office of State Grant's Program funds. The services range from technical assistance as to how to complete forms to conducting project monitoring and close-out inspections. The Office of State Grants reserves the right to monitor all projects for all funding sources at least once during the life of the project and will conduct a completion inspection prior to project close-out.

Once a project is approved and/or a Memorandum of Agreement (MOA) is executed, the following steps should be taken.

I. Disbursement of Funds

To receive funds, the legal grantee will complete a Request for Disbursement form accompanied by quotes, cost estimates, receipts and/or invoices and cancelled checks which are relevant to the request and required by the specific funding program. After the request form is received and approved by GOLD, a check will be forwarded to the recipient/grantee as payment in the amount of the request. The Project Manager/Administrator and GOLD must approve all disbursement requests.

II. Quarterly Report Submission

Upon execution of the MOA the recipient/grantee shall be required to provide quarterly progress reports. The recipient/grantee is required to submit a separate report for each individual project. The recipient should attach any pending financial documentation to this report, including copies of any cancelled checks related to the project. Failure to submit or fully complete the required report will place the recipient/grantee in noncompliance status at which time GOLD staff will provide notification requesting the recipient/grantee to complete necessary corrections and/or submissions within a reasonable timeframe. Quarterly reports shall be due no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September is due no later than October 30th

Second Quarter: October–December is due no later than January 30th

Third Quarter: January–March is due no later than April 30th

Fourth Quarter: April-June is due no later than July 30th

III. Project Monitoring

GOLD staff will conduct monitoring of activities based upon the scope of work, the MOAs, project accounting, cost estimates, line-item budgets, change orders, eligible expenditures, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. GOLD reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, GOLD may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. GOLD reserves the right to make additional site visits on any and all projects if deemed necessary. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring or a completion inspection may be directed to GOLD for additional review,

determination and action. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.

IV. Project Close-out

The recipients/grantees shall be required to submit a completion report to GOLD. This report indicates completion of the project and desire to close the project out. The completion report should be submitted when the complete scope of work has been accomplished. Once the report is received by GOLD, GOLD will start close-out procedures. GOLD staff will contact the recipients/grantees to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.